

## **EXHIBIT 2**



**SPINIELLO  
COMPANIES  
CONTRACTORS  
ENGINEERS**

**Cement Mortar Lining Division (International)**

In place cleaning and cement mortar lining of water mains

**Marine Division**

Subaqueous Pipelines and Cables, Outfalls, Intakes

**Heavy Construction Division**

Utilities and General Construction

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August 28, 2000

Robert J. Card, P.E.  
Brico Industries, Inc.  
P.O. Box 48776  
Atlanta, GA 30362

Re: MWRA-Contract 6280 Weston Aqueduct

Dear Robert J. Card, P.E.,

This letter is to confirm the details of our telephone conversation with you on the afternoon of Friday, August 25, 2000. Present at Spiniello's office in Morristown, NJ were Paul Hayward of Jason Consultants LTD and Gary Stivaly, Pres., Jose Collazo, V.P., Robert Block and Robert DePonte of Spiniello Companies.

The reason for teleconference was to review the findings of Paul Hayward from his site visit on Tuesday and Wednesday of last week. At that time we installed the Brico Innerseals and for comparison purposes installed the HY-Flex seal supplied by Miller Pipeline Corp.

We proceeded to discuss the findings in detail. Basically, we have had trouble testing the Brico seals, as explained in our letter of July 27, 2000. We installed one Brico Innerseal on Wednesday and it would not pass the air test. This has been an extremely costly problem for the last month. We then installed the HY-FLEX seal in the same joint and performed a successful air test. We installed 4 of the HY-FLEX seals with no problems passing the air test. It became apparent that our preparation and installation are not the reason the testing problem.

It appears that there are some design considerations in the Brico seal. One appears to be the width of the steel band. It is approximately 2.5 inches wide and when installed in the 3 inch wide slot in the rubber seal does not apply even pressure on the ribs that seal against the pipe. The ribs do not go across the entire slot and therefore the steel band is not fully over the sealing ribs. The ribs on all future fabrications should go across the entire width of the 3 inch slot and possibly be of a deeper profile.

Another design issue appears to be the joint area of the steel band where it is expanded and shimmed. There is not enough pressure applied to the rubber to effect a seal. This area seems to be where the greatest percent of failures occur.

Per our conversation, Brico will be performing modification to the steel bands. The width will be increased to approximately 2.875 inches and the length of the band will be increased in an effort to apply adequate pressure all around and specifically at the joint area.

Brico, on Monday, August 28, 2000 will begin preparing their machinery so that when the wider material is received on Wednesday, August 30, 2000 fabrication will begin immediately. Brico will then test and ship

the new material to the jobsite. Brico will also send technical representatives to the site for the installations.

The deadline for resolution of this seal problem is Friday, September 8, 2000, as agreed to by all parties to the telephone conversation. In order to minimize direct costs to Brico, we have stopped our installation subcontractor from working as of Monday, August 28, 2000.

If the issue is not resolved by September 8, 2000 we will cancel our purchase orders for both our Weston Aqueduct and our East West Spot Pond projects and purchase the seals elsewhere. As noted in our letter of July 27, 2000, Spiniello Companies will seek all additional costs associated with the installation and testing of the Brico Innerseals. Our installation contractor, ODF Contracting and Spiniello Companies have spent substantial time and money to get the seals to pass the testing without success. We expect full reimbursement for all costs.

The delay impacts to the project have mounted and are unacceptable to the Massachusetts Water and Sewer Authority. It is therefore imperative to resolve this problem as quickly as possible. Please, keep us up to date on all your efforts and if there are any changes in the schedules detailed in this letter.

Very Truly Yours,  
Spiniello Companies



Robert K. Block, P.E.  
Division Manager

cc: Gary Stivaly, Pres., Spiniello  
Donald Bridges, Pres., Brico  
Oliver D. Fernandez, Pres., ODF  
Paul Hayward, Jason Consultants LTD